

WEST KELOWNA, BRITISH COLUMBIA--(Marketwired - Jan. 20, 2017) - [Colorado Resources Ltd.](#) (TSX VENTURE:CXO) ("Colorado" or the "Company") announces further to entering into a definitive option agreement with Ely Gold & Minerals Inc. ("ELY") (TSX VENTURE:ELY) (see News Release dated December 6, 2016) on the Green Springs Property, it has undertaken geological mapping, collected 642 soil samples, and is in the process of updating the existing permits in preparation for an initial RC drill program.

Adam Travis, Colorado President and CEO states; "Our technical team and contractors have done a great job in the last month of advancing the Green Springs Property. Our 2016 soil sampling program has expanded the previous gold in soil anomalies and discovered a new zone; many of these anomalies are still open for expansion (see Figure 1). Planned sampling at the "A" Zone North area was delayed due to winter conditions preventing access. Updated geological mapping is also increasing our understanding of the controls to mineralization. Our exploration emphasis will be on expanding the known mineralization associated with the Lower Chainman Formation and testing for higher grade feeder structures and other potentially good host rocks along the mine trend. We will also continue to explore the several gold in soil anomalies outside the mine trend that are associated with just a few of the 200 known and largely unexplored jasperoid bodies on the Greens Springs Property."

Expansion and Discovery of New Gold in Soils Geochemical Anomalies

Previous soil sampling¹ at Green Springs highlighted a number of significant trends associated with the old pits and also in areas upslope and as far away as 3 km to the northeast of the pits at the "A" Zone North (untested by drilling). The Mine Trend is a 3 km long by approximately 500 m wide north-south trending corridor which covers the main areas of previous sampling, drilling and limited mining. Within this trend gold in soil anomalies (> 50 ppb gold) were noted upslope of the "C" and "C North" pits (untested by drilling) and to the east and southeast of the "D" pit (partially tested by drilling).

During December 2016 Colorado completed the collection of 642 soils to follow up on previous open ended gold in soil anomalies and to cover favorable geology. To date the results from a total of 468 soil samples have been received. These results are already highlighting and expanding the "D" Zone East (a 350 m x 650 m area > 50 ppb gold) upslope and to the east of the "D" pit and the new discovery of the "G" Zone (a 200 m x 200 m area >50 ppb gold which is untested by drilling) located 1.3 km to the east of the "C" pit. No work has been completed so far by Colorado in the vicinity of the "A" Zone North (a 200 m x 500 m area > 50 ppb gold).

Qualified Person

Dr. Jim Oliver, Ph.D, P. Geo., the Company's Chief Geoscientist, is the Qualified Person as defined by National Instrument 43-101 who reviewed the preparation of the technical data in this news release.

About Colorado

[Colorado Resources Ltd.](#) is currently engaged in the business of mineral exploration for the purpose of acquiring and advancing mineral properties located in British Columbia and Nevada and is also seeking opportunities in Southwest USA and Latin America. Colorado's current exploration focus is to continue to advance: the KSP property currently under option with [Seabridge Gold Inc.](#), located 15 km's along strike to the southeast of the past producing Snip Mine²; its 100% owned Kingpin property; its 100% owned North ROK property, located 15 km's northwest of the Red Chris² mine development, both located in northern central British Columbia; the Green Springs Property (Nevada) currently under option from Ely Gold & Minerals Inc.

ON BEHALF OF THE BOARD OF DIRECTORS OF COLORADO RESOURCES LTD.

Adam Travis, President and Chief Executive Officer

Cautionary Notes

¹ No external QA/QC was included with the soil samples collected by Colorado, or during the historical soil sampling programs.

² This news release contains information about adjacent properties on which Colorado has no right to explore or mine. Readers are cautioned that mineral deposits on adjacent properties are not indicative of mineral deposits on the Company's properties.

Cautionary Note Regarding Forward-Looking Statements

Certain statements contained in this news release, constitute "forward-looking information" as such term is used in applicable Canadian securities laws. Forward-looking information is based on plans, expectations and estimates of management at the date the information is provided and is subject to certain factors and assumptions, including: that the Company's financial

condition and development plans do not change as a result of unforeseen events, that the Company obtains required regulatory approvals, that the Company continues to maintain a good relationship with the local project communities. Forward-looking information is subject to a variety of risks and uncertainties and other factors that could cause plans, estimates and actual results to vary materially from those projected in such forward-looking information. Factors that could cause the forward-looking information in this news release to change or to be inaccurate include, but are not limited to, the risk that any of the assumptions referred to prove not to be valid or reliable, which could result in delays, or cessation in planned work, that the Company's financial condition and development plans change, delays in regulatory approval, risks associated with the interpretation of data, the geology, grade and continuity of mineral deposits, the possibility that results will not be consistent with the Company's expectations, as well as the other risks and uncertainties applicable to mineral exploration and development activities and to the Company as set forth in the Company's Management's Discussion and Analysis reports filed under the Company's profile at www.sedar.com. There can be no assurance that any forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, the reader should not place any undue reliance on forward-looking information or statements. The Company undertakes no obligation to update forward-looking information or statements, other than as required by applicable law.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

Contact

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